SHIVALIK

SHIVALIK BIMETAL CONTROLS LIMITED

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SBCL/BSE & NSE/2025-26/76 **February 12, 2026**

To, BSE Limited Corporate Relationship Deptt. PJ Towers, 25th Floor, Dalal Street, Mumbai – 400 001 **Code No. 513097**	**To,** National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **Code No. SBCL**

Subject: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Transcription of Earnings Call held on Friday, February 06, 2026

Dear Sir,

Please find attached herewith transcription of Earning's Call held on Friday, February 06, 2026 related Q3&9M FY26.

Kindly take the same on record and acknowledge.

For Shivalik Bimetal Controls Limited

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Shivalik Bimetal Controls Limited (SBCL)

Q3 & 9M FY2026 Earnings Webinar Transcript

Friday, February 6th, 2026: 3:00 PM IST

Speakers from the Management:

1. Mr. Sumer Ghumman- Whole-time Director
2. Mr. Rajeev Ranjan- CFO

Moderator:

Ladies and Gentlemen- a very Good Afternoon to you all, welcome to Shivalik Bimetal Controls Limited's Q3 & 9M FY2026 Earnings Webinar produced by ElevEase.
I am Shankhini - Director of Investor Relations at Dickenson, and I will be moderating our call today.

Joining us from the Shivalik's management team are:

1. Mr. Sumer Ghumman- Whole-time Director
2. Mr. Rajeev Ranjan- CFO

Please note that this conference is being recorded, and that some statements in this call may be forward-looking, based on current expectations and subject to risks that could cause results to differ materially.

You can download SBCL's investor presentation and press release from the links in the community chat or from the company website or the NSE. So I will now hand over the conference to Sumer for Opening Remarks.

Opening Remarks:

Management, Mr. Sumer Ghumman (Opening Remarks):
Thank you Shankhini. Good afternoon, everyone and welcome to Shivalik Bimetal Controls Limited quarterly earnings call for Q3 and 9 months ended 31st December 25. Overall revenue has grown by 9% year-on-year both for the quarter as well as the 9month period. Continuing the company's trend of improving profitability EBITDA margin continues to grow disproportionately to sales with a quarter closing with an EBITDA margin of over 24%. Marking an increase of over 400 basis points year on year. Quarter 3 in general has been challenging for us with unpredictability related to geopolitical factors especially related to US tariffs. We generally experience reduced orders from our US-based customers during that time. We hope to see this trend reverse in the current and upcoming quarters. Our focus lies in strengthening our core business and our priority is keeping our earnings growing. As you know, our core businesses operate in segments with high entry barriers where customer approvals are hard one and relationships are built over years. Our aim is not to chase the broadest opportunity set. Our aim is to be indispensable in the programs we participate in through reliability, responsiveness and consistent quality. Over time, this translates into deeper share of wallet, stickier relationships, and more stable demand through cycles.

Secondly, we are moving up the value chain with discipline. To explain this further, as we scale, we want to improve value added content per program and strengthen revenue visibility. Our forward integration journey is about participating in the parts of the value chain where precision engineering enjoys higher pricing because the customer's cost of failure is high. In that context, our board has just approved our plans to set up a new facility in Pune for the automotive bus bars and connectors and subsequent assembly business. This is a meaningful milestone and is designed to broaden our participation in e-mobility and energy storage applications while staying true to what we do best which is carrying out precision manufacturing at scale. We plan to launch this in 2026 itself with a proposed phased capacity addition from Q1 FY 27 onwards. The 200 million rupee capex funding for this project will be managed through our internal approvals. Strategically, what this does is simple. It helps us become more relevant to customers with a wider solution envelope and improves the long-term quality of our growth. Thirdly, we aim to protect the quality of our earnings through optimal product mix, better discipline, and smarter capital allocation. This means that moving ahead, our growth must come from with improving economics. To demonstrate this principle, you would have noticed that this quarter's margin expansion was supported by a mix improvement and higher supplies of value added components to some marquee global customers alongside cost discipline. This is the direction we want to keep reinforcing better mix tighter execution and measured investments. At the same time, we remain thoughtful about shareholder returns. I'm pleased to inform you that the board has declared an interim dividend of 2 rupees per equity share. So if I were to summarize, we are building Shivalik for the next phase of growth with a steady hand, a stronger core and a disciplined move into high value assemblies and a clear focus on improving the quality of earnings as we scale.

Shankhini: Thanks Sumer. We will now begin with the question-and-answer session, so as a reminder, please raise your hand to join the question queue. A quick reminder on how to raise your hand- if you are on your desktop or laptop, look for the 'Reactions' button at the bottom of your Zoom window, then select 'Raise hand' from the options. Your name will appear in the queue and I will call you. If you are on mobile or tablet, tap on the 'More…" button, then select 'Raise hand' from the menu. So let's start with the first question.

Question & Answer Session:

Participant –Dhruv Jain:

Thanks a lot. Uh hello team. So couple of questions from my side. So the first question you know if you could just give some clarity now I know it's slightly early days but given the tariff resolutions any conversations that you've had with your uh you know customer customers from the shunt side uh in US and even the bimetal side as to uh if we should start uh you know seeing numbers really improve from the Americas quite materially going forward you know any thoughts there would be very helpful because we've seen that the you know that business has really suffered a lot over the last one-one and a half years.

Sumer Ghumman:

Right u so the answer to this is slightly different for both product types um you know we supply in almost in similar equal value both thermostatic bimetal as well as shunts to the US. Now this this temporary tariff disruption you know keep keeping that aside of course that matters that makes a difference what we experienced when it comes to tariffs in the last quarter was you know we didn't suffer any loss of business as such but we saw a substantially reduced orders and I'm sure everybody can understand that you know at that 50% tariff value everybody was buying as minimum quantity as possible or whatever minimum amount quantities that they needed. So we saw some product

types suffer over there. Now what there has been a major benefit also to Shivalik because of these tariffs. What has happened is that a lot large portion of our US-based export of EB welded or shunt materials was in in raw material form. That means we were welding strip and shipping large quantities of that to Vishay. Now that because of these tariffs immediately put you know Vishay and us into action to move those into components and why that is because um that's that that tariff is not just related to the tariffs that was placed on all general imports from India but copper as well as stainless steel anyway attract a surcharge over its import. So even after this tariff gets reduced to 18%, if we continued to supply in strip form, it would have that business would have suffered. So what that has done as a result is quickly converted a lot of that strip business into parts and we love that because that is much higher value add as compared. So what we expect to see and the kind of businesses that we've already the kind of part numbers that we already supplying for the US market now is a) reduced now is going to be affected by lower tariffs. but b) it's a much higher value product. So we expect to actually see our US exports of shunts grow in the coming quarters. And when it comes to thermostatic bimetal of course that also some of our customers who were buying in strip from form have completely uh you know fast forwarded this transition into components. So in a way other than this temporary hiccup of a quarter or so we have actually seen that the tariffs have worked in our favor. So in order to answer your question both shunts and thermostatic bimetals we should see considerable improvement in what business we get from the US in the in the in this quarter and the coming quarters.

Participant – Dhruv Jain:

Sure. so just another question on the bimetal side right so if you look at the bimetals business that you know you have from India that number over the last I'd say almost you know 12 quarters has been more or less in that range in fact it's actually gone down lower so if you can just share some time to help us understand why is that being the case and how should we think about uh the India business on the bimetal side you know going forward what are you trying to do here and how should possibly growth come back here, that's my second question.

Sumer Ghumman:

See when it comes to the Indian market thermostatic bimetal is simply driven by market growth. So if you see in the last four years as you mentioned uh the general switch gear market has also had this sort of a flat kind of a performance. Uh you may see in certain years it's been 5or 6% or so but um you know it doesn't go 100% in line with the switch gear market because MCBs is the only product mainly uh the real volume based product where the thermostatic bimetal is and um so we have seen that then generally even though we see a lot of development happening. We've seen that generally switch gear market itself is uh has had a bit of a flat situation. Uh now when it comes to export sure export we had a we have opportunities to convert and get more wallet share or to get more market share with a certain customer. Um and what we were targeting uh specifically in order to grow in those areas was for the US market and those developments have been going on for more than a year and a half or two years ever since we were we had confidently started our new capacities. Uh although you know earlier this year, earlier last year I would say or earlier this this financial year um when these tariffs and all started coming about we noticed that generally the trend for new developments or the openness of our customers to develop new part numbers for thermostatic bimetal specifically for the US market took a hit. It it sort of paused uh and and rightfully so because you know if tariffs are not clear then there's a lot of cost as you can imagine a lot of cost involved in developing these these uh a new supplier or an existing supplier for a new location. So everything came to a halt uh or everything slowed down when it come came to development as we mentioned before. So uh with more clarity on the tariff side I think we should see some improvement in those areas and really speaking when it comes to bimetal you know other than the market growth itself there is limited opportunity for growth for specifically for switch gear application. So the best way to grow in that area what we are working on is we are looking at you know certain other applications where this kind of these kind of bonding or these kind of joining processes we can utilize for certain applications. So a lot of those projects are in R&D and we would like to utilize some of our capacities for that so that we can get you know we

can we don't need to just rely on market growth or wallet share increase. So we are looking at some new opportunities in that area as well. So that is one way of growing and the other one is of course you know like I said trying to get more business share from the US which we should we hope to see resuming now with more clarity on this.

Participant – Dhruv Jain:

Sure. And my final question is you know on the new busbar capex that you're doing so a) how should we think about the scalability of the same and this along with you know the PCB assembly that you're trying to do how should you know FY27 look like we've seen a challenging year in terms of growth so you know with these new initiatives if you could just throw some granular details as to how you're looking at FY27 overall from a growth perspective with various initiatives that you're trying to track thank you so much and all the best

Sumer Ghumman:

So interestingly the you know some of the business opportunities that we've been working on for the last 7-8 months related to these kind of assemblies are we some of them are already converting into orders some of them have already converted and business at lower volumes has already begun which is why the decision to set up the facility in Pune's you know initially we were going to supply the starting part of it from Solan but why we decided to set this up in Pune and we have we've identify the area where we are going to put this plant is a rented ready to-use facility. So and the reason behind that is that we have orders in hand which we have to supply from before in fact starting in March and then really in larger volume starting in April. So in order to be able to fulfill those orders we need to have a facility ready and functional within this period of March. And so are basically the reason behind setting this up first of all in Pune and the reason behind setting it up was that when we when we got deeper into it we realized that the volumes are much larger than what were what we were initially told and it is better that we are close to our customers there. So the four or five major projects that we are working on in this in this field are all based in and around that area and uh from a growth point of view what we expect to see that this this capex that we talking about should bring in this assembly business with four or five projects over a 3-year period. It could be in the in the range of 250 to 300 crores. With the first year this FY27 being about 70-75 crores out of that um this is already developed these components are already designed developed ready to move. So it's not something that's you know just a part of a plan. It's actually actual business that is starting and so If we let's say if 70-75 or 80 crores of this business can be added in FY27 then maybe about 150-200 in FY28 and about 250- 300 in FY29. That's what we have in mind and that's what that's the indication we have from our customers for whom we are developing this.

Participant – Akash Vora:

Yeah. Thanks for the opportunity and yeah I mean congrats for the good set of numbers. My first question will be on the new product that we have announced that is the busbar. So Sumer I would like to understand mainly you know more about the market what kind of total addressable opportunity we have, who are our key competitors in this market, what this product is about, who are you know who are the main customers or could be potential customers for us in this business. If you could just you know elaborate on that first. Yeah.

Sumer Ghumman:

So you know basically like the way we manufacture these resistors by way of EB welding, there are certain busbar components that also require that welding. Now, we have caught hold of this this opportunity first is because multiple components used in this final sub assembly require EB welding and that becomes a no-brainer opportunity for us because as you can imagine where wherever more and more EB welding is done that's what makes that product most

suitable for Shivalik and so the main target customer base for these products is two-wheeler EVs some Four-wheeler EVs applications also require these kind of busbars but primarily it is for two wheelers and who we are targeting is all two-wheeler market all two-wheeler manufacturers in India for EVs which we which we can foresee is expanding and the interest of the consumer in buying EV2 wheelers is consistently increasing. Up until now of course whatever EV 2 wheelers are being sold usually these entire systems were being imported So u we didn't you know there was there was no opportunity with the recent shift of these manufacturers the two-wheeler manufacturers pushing towards making these things in India with along with the ECMS push and PLI push and all of those things. A lot of the larger players want to develop these in India and some of them are absolutely new models or new products being launched. Now because of NDA reasons I can't specifically mention which final users are these but I can tell you that they are the two EV projects that we are working on right now for two wheelers which we are closest to supplying are both number one and number two of when it comes to EV when it comes to two-wheeler manufacturing in India not just EVs but as a whole the two largest are the ones that we are working with and there are many others in the pipeline but these are the you know the ones so there is as of now there is no competition because Nobody does this EB welding. Nobody now unless somebody makes this entire complicated assembly somewhere else in the world and then ships it to India which I highly doubt because uh that's primarily the reason why this is being shipped to India. So as of now there is no competition unless somebody sets it sets up something uh to be able to do this. So this is actually a very good product for us because it's not just an assembly which requires one or two of our components but more than a very large percentage which varies from customer to customer but a very large percentage of value add as well as the technology part of it comes from Shivalik and it's not just uh you know simple bought out component

Participant – Akash Vora:

Understood and since our since this is a kind of a forward integration for us so our margins should be better here should I assume

Sumer Ghumman:

As a percentage maybe it should be about 10% lesser, maybe 8 or 9% lesser EBITDA but of course the topline value is more than more than 15 times or so of the component alone. well, if I include the other EB welding, so let's say about 10 times more than that value. Yeah. I mean if you if it's so this is not really a new thing for us. I mean we are now formally announcing it as a new unit because now business is starting. But um I don't know if you've been following the previous uh discussions and calls and information we've been putting out. These are projects that we've been working on over the last 12 months. So the margin does come down as a percentage but as a whole because the topline value goes up. So even with a 10% reduced or on the higher side even a 10% reduced EBITDA the main thing about this business is that since it's technically very related to our EB welding as well as our resistors. It's a it's a very sustainable margin. So it's not something that we'll see eroding over time.

Rajeev Ranjan:

Your question. So for this product line, yes, it's compared to our current or getting products, a less margin, but overall if you see the company's margin, it will not impact our EBITDA anymore.

Participant – Akash Vora:

Okay. Okay. And how will I mean so how will you all offset the decrease in this the margins in this product? I just want to understand.

Rajeev Ranjan:
Due to volume, yeah

Participant – Akash Vora:

Okay. And the competition currently Sumer is only global, right? No Indian competitor?

Sumer Ghumman:

So, first for somebody to truly be an Indian competitor first they'll have to start EB welding and start making these resistors. That is the most important aspect. So as of now we don't have anybody uh who we at least know of or is at least we have information on. So no as of now no.

Participant – Akash Vora:

So how many busbars will be going in a two-wheeler? I mean any you know so that we can kind of size or you know get some sense of the scale of the opportunity that we have

Sumer Ghumman:

Right so I think it see it varies a lot from design to design but to give you a simpler answer to this I would say that this kind of an assembly for a let's say a high value design let's say a design in which there's more number of bus bars and more number of more welding or more material required would be the value of that product overall would be about 2,000 to 3,000 rupees and roughly about 62 or 60 or between 60 to 65% of that would be material cost.

Participant – Akash Vora:

Okay. And per vehicle it'll be only one busbar is it?

Sumer Ghumman:

No, it'll be multiple. It again it depends on it depends on various design. Some designs actually don't have any busbars. So it depends on so two wheelers in most cases have busbars but then again certain two wheelers don't. So it's varies from design to design but the two major projects that we are working on have four different components of different types of EB welding involved inside the whole assembly.

Participant – Akash Vora:
So on an average any number you could give us?

Sumer Ghumman:
In terms of value or ?

Participant – Akash Vora:
The units per vehicle, the content per vehicle.

Rajeev Ranjan:

Let me answer this question. Yeah, as for the design of the battery. So it entirely depends on the design of the battery and based on which maybe the requirement can start from four in a battery set maybe it will increase to six to eight.

Sumer Ghumman:

So it dep uh each design can vary a lot. So that's why I think it's a better way to look at it is an average value because that that gives you a better picture because it's you know components can vary in size. There could be a five of a 10 rupee component and there could be four of a 100 rupee component. So it's just it's just too too many variables there.

Participant – Akash Vora:

Understood. So average value add per vehicle or content per vehicle can be considered as 2,000 to 3,000 which you mentioned

Sumer Ghumman:

That's correct. So that is a way that is a better way to look at it because 2,000 to 3,000 is the value with a 60 to 65% material cost. And one could say that in this 2,000 to 3,000 if we were only supplying components and not putting together this assembly, those components could have varied from let's say 100- 120 rupees to three or 400 rupees. So that is actually the right way to look at it you know. So we and besides we would have never had the opportunity to supply those 300 or 400 rupee components because that assembly would have been manufactured wherever the final product was being manufactured which up until now was being imported.

Participant- Nirma Mehta:

So again my question is on the US business. So you know so tariff was one challenge and we were also facing some issues with **Vishay** but now with those issues behind us from your commentary. what are the kind of growth you expect from the US business for the next year? I mean you mentioned some you know it would improve but what if you could you know quantify something and are there any other challenges also that we face in the US?

Sumer Ghumman:

Right? So, you know the one big challenge that we faced in the US was more related to one customer as you rightly mentioned. A lot a part of their business or the part of their design had recently also gotten phased out. So that also had a contribution to in this reduction. Now what what Vishay has recently done is that they've developed certain components for this application. for the largest global EV manufacturers in the world both the top one and top two and that business we are already getting now it's part of our uh revenue at this point and so we are basically now supplying to or we have restarted business with Vishay to a point we expect that in this partly in this quarter as well as

if you look at next year which is FY27- Vishay business value coming to coming back to you know similar levels to what it used to be during its peak. So that business has already begun and that business is already we've already got orders. So we foresee a we see a good future when it comes to the US export.
Right. So with that business added, we feel confident that the you know the the what was looking you know what was going showing as a sort of a negative for us as say as far as US exports are concerned should have an opposite effect now Vishay should go back to its levels of what it used to be 2 to 3 years ago and we'll start seeing those seeing that difference within you know even this quarter and the quarter after because that business is already in regular supplies now And that's all components by the way. So you know that's a major advantage what I had mentioned in during the while I answered the first question today. These are all components and so they're much higher value and which also brings us to a point that this trend of increasing profitability we should continue to see because the few businesses that that are adding to revenue as we speak are on the higher margin side.

Participant- Nirma Mehta:

Correct. And you also see these product developments that you were paused because of the tariffs to resume and you know we could add more product

Sumer Ghumman:

That's right and that thing has a biggest plus point for thermostatic bimetal because you know as I'd mentioned in the last question that our real growth for bimetal actually can come from the US market I mean because we already have a decent footprint in in Europe and Asia we are not we can't target China for obvious reasons some of the other markets in the world are serviced by these areas they don't manufacture too much of this themselves. So where we can really get business and you know this switch gear market is controlled by five or six large players who are already our customers. There is no major switch gear manufacturer for that uses themostatic bimetal and is not already buying from us. So you know we already have those customers. It's just that we wanted a higher market share in the US and that development is what got stalled. What we are what we are also considering and not just because of tariffs. What we are also considering is to see if we can have a facility or tie up with a you know partner to have a small final packaging or a final storage area in the US because sometimes we feel that we can providing that additional service to a US-based customer can help us do more business there. But again like I said with all these tariffs and all this uncertainty everything had come to a stand still. Now we are in the process of you know once more clarity in maybe next month more clarity comes out on this we can restart dialogue with our customers related to this.

Participant- Nirma Mehta:

Got it. And so again on the margins you mentioned that you know these are these look to be sustainable and I mean commendable job on the margins. so you expect this a similar range next year or we can still see some improvement over these kind of numbers.

Sumer Ghumman:

Yeah, we that's what the idea is now. Unless we add lots and lots of revenue from you know lower margin business that's a different thing that's if you keep that aside our core businesses yes we are working all of our decision making is now on the basis of how to sustain or improve profitability and when we also know that you know the operating leverage that we get beyond a certain level specifically in these in shunts, our business in the last 12 or 18 months had gone below that that sweet spot level and the moment it comes back then we see you know margins shooting up considerably so we know that once we stay over a certain amount of revenue from the shunts and that's going to happen why because you know one example that I gave uh of this trip business to the US turning into parts that not only increases topline value but also increases bottom line value further so you know that multiplier effect of the profitability is something we'll see even more clearly as that business grows and that business has just started like it's

been only 2 months and the first month was again in because of tariffs even those quantities were a little bit you know on the lower side everybody's been ordering on the on the negative tolerance rather than on the higher side um again hopefully that will be fixed soon

Participant- Nirma Mehta:

Just one last clarification so you mentioned about the busbar and the forward integrations. So you also mentioned some PCB assemblies that were to start in Q4. So is it a part of the busbar.

Sumer Ghumman:

Technically they fall in the same category but those opportunities were different from this and those are also under development. So that business is also happening as on the side. Those are those are basically the same things without the busbar assembly. Certain applications don't require busbar assembly. So those are for those and that's under development also.

Participant-Nirma Mehta:

So the 250-300 cr number you mentioned it includes both of the all of these forward integrations?

Sumer Ghumman:

It includes yes all of the assemblies the various different types out of which a vast majority of the value comes from the busbar related assemblies because those are the most high value ones. In some four-wheeler applications like I mentioned in two wheelers the assembly value can be 2000 -3000 rupees in four-wheelers it can be more than 5,000 in some cases so that's also a part of development happening as of now

Participant- Soham Dengra:

Yeah. congratulations on a great set of numbers this quarter. I had a couple of questions. So, with respect to the bus bar business that you're developing. I wanted to understand what is our moat or a barrier to entry in this space. Is it a long regulatory approval process or is it a purely pricing standpoint? And We are doing EB welding EB welded busbars and I was reading up somewhere that this is a much more efficient process to manufacture these bus bars compared to uh other traditional mechanical methods. So can you just throw some light on the efficiencies that we see when we use this EB welding method compared to other methods?

Sumer Ghumman:

Yeah, so specifically when we talk about assemblies related to these EB welded bus bars, of course the biggest barrier to entry is the EB welding itself. Now if EB welding like I was mentioning earlier, EB welding is not something, in strip, EB welding is not something that's done by too many manufacturers across the world. In India, nobody else does it. Now having said that doesn't mean that it's not possible for somebody else to do it or they can't get into it. But we do have a major advantage when it comes to the technical knowhow of EB welding. And the reason is that we have been involved in EB welding for more than nearly 30 plus years or so because we used to do that for you know

we used to make EB welded components for the colour picture tube industry in the mid '90s. So we do have an advantage and of technical knowhow. So even if a new entrant or a new player came in we will certainly have more technical so that becomes basically the barrier to entry in in this uh in this business. Of course as you mentioned just like normal resistors or just like many you know even normal copper components used in let's say um energy meters why are EB welded shunts used in the first place is because the welding is so efficiently done that it does not affect the flow of current that's the basic principle when you weld two different materials two different conductive materials and you and the weld is not good or the weld has too many gaps or it's changing the properties of that point where the weld has taken place it will have an impact on the flow of current. Now EB welding has minimal impact on that and yet provides a strong joint. So which means the current flow happens without damaging that area and that is the basic principle. Now of course when that happens you are able to join two different materials make use of their different differences in resistance and as a result get accuracy in the measuring the flow of current and of course then that same thing applies to bus bars as well as it does to a resistor or it does to a to any other EB welded component or application. So it's you know answer is very simple. It's just a complicated process to do.

Participant- Soham Dengra:

Okay. Another question I had was you had last time you had mentioned that you were entering certain new product verticals in the electronics application space. So can you tell us if there's been any progress on the front or just throw some light on which products are we planning to expand in and which areas do they fall in and what's our moats over there?

Sumer Ghumman:

Right. So we are looking at um you know there are certain types of automotive fuses that we are working on and we are working with the possibility of looking at getting this technology from another company foreign company or maybe even look at the possibility we are open to the idea of you know acquiring that technology or the company but we are looking at various uh different types of components in the automotive fuse space. Why that is connected to us? Obviously a lot of the resistors that you're making are also used for automotive applications. But these fuses are a very different type. They are not the typical commodity type fuses that you see in automobiles. These are these are used in you know separate applications like for example it's used in a the power window assembly or the tailgate assembly. And those little fuses that are used are basically you know two types of copper or two stripes of copper with a different material in between that melts that has a lower melting point. So when that component is overheated that lower melting point material just melts and breaks open that that joint and hence the fuse has protected or done its job by stopping the flow of current. So why that what we are trying to work on is various applications like that to see if we can you know incorporate EB welding there. and the results are good. So that is of course one area we are working on because it's also related to what we have. We are alongside that we are looking at you know certain other components that fall into our um you know some kind of uh complimentary in nature in some way or the other. There's a we looking at certain automotive inductors that you know we're still assessing uh the business the market Alongside that we have a few more opportunities which we have which we have to go further into at this point but we are analysing them but these are some of the other ones that are that we've gone deeper into.

Participant- Soham Dengra:

Okay. A final question that I had was on the PCB assembly front the recent PLI schemes that have come out for these uh PCB components. How do you think Shivalik might benefit from these schemes and can you quantify the sort of tailwinds that you see due to these schemes?

Rajeev Ranjan:

Yeah. So, see the PLI has now been converted into ECMS scheme from the central government where we have already applied put our application uh which is under examination and very soon hopefully we will get the approval

from the government since we have already availed in the past four years under PLI and as far as the quantification is concerned entirely depends on the revenue as we mentioned uh that it has a potential to grow in between 250 to 300 crores . So accordingly we will get the ECMS grant from the government.

Participant- Bhargav Bhuddadev:

Yeah, good afternoon team and congratulations on a good set of numbers. My first question is just wanted to have some clarification that you mentioned this 250 cr revenue on a 20 cr capex. So is the math clear? I mean because this seems like a very high asset turn.

Sumer Ghumman:

Yeah. So no Bhargav this is not probably the right way to look at it or probably doesn't sound okay. You are absolutely right in identifying that. You see the more costly capex requirement for being able to do something like this is something we already have and we already have further invested over the last few years into that capacity as well as capability. So now it now this 20 crores is actually more of assembly work and having an assembly line and that's why we can set it up very quickly. because a lot of our main key processes equipment cannot be set up that quickly. So this is more related to that. In fact, I would say a large portion of this 20 crores is more related to actually having the plant in place. That cost is probably the most assembly.So the most cost the expensive capex involved in being able to do this is the welding and all the processes before and after the welding, All that we already have. So one can say that in a way this is like incremental capex for being able to do this additional forward integration.

Participant- Bhargav Bhuddadev:

And is it fair to say that you mentioned 75 crores revenue next year and in 3 years, 250 crores so for that the current assembly is assembly plant in Pune, can it cater to like 250 crores or you need more capex?

Sumer Ghumman:

No it see in it should be able to what we what we have in hand but we also are looking at if we can find certain you know we in the previous question we were talking about certain other electronics uh opportunities that we are also exploring which are some are related some are not. If we can club everything together and add it onto the plant in Pune instead of spreading into another third location what we had in mind because of the better ecosystem for electronics over there compared to let's say Solan if we can add all of those things then maybe in year two while we are running this this various assembly businesses out of there maybe we can set up a new facility and add those other things as well. So, so that part we've left open depending on all the other opportunities and how they pan out and whether it makes sense for us to have them geographically in that region.

Participant- Bhargav Bhuddadev:

Sure. Secondly, sir, now that the US tariff is likely to reduce post March, is it fair to say that you will again not shift back to exporting strips versus components? That's a fair understanding, right.

Sumer Ghumman:

No, no, we can't export. See, what happens is when it comes to thermostatic bimetals, even when it comes to copper Both chap both the moment we supply strip they fall in the stainless steel or the copper category those already those have a tariff of 50% as it is section 232 so if we supply if we don't supply components trip is out of question anyway so so that that's why I was uh saying earlier that you know in a way it's actually worked well for us that you know wherever we had the opportunity to convert to components or start that development that has happened faster or at least started faster.

Participant- Bhargav Bhuddadev:

And this rest of Asia which was increasing is it fair to say that rest of Asia increase was on account of US tariff and now that tariff has reduced the rest of Asia growth may come off and US growth may increase, is that understanding correct or?

Sumer Ghumman:

I don't see,there's no there's no connection we'll see an increase or restoration of the US business hopefully but the Asian market will behave on its own it's not related in our case at least for our products it's not related

Participant- Bhargav Bhuddadev:

Okay so it wasn't the case that uh instead of exporting to US you were exporting to Asia on the calling of Vishay telling you to do that it wasn't?

Sumer Ghumman:

No so there's a different idea behind that now with Vishay we also have a white label agreement to supply directly to some of its customers. That development was already happening before the tariffs.
So the decision behind that was more logistic related rather than tariffs. Now tariffs actually accelerated that development. So what was supposed to happen in a 18month period got you know in that sped up and it became faster the developments because now nobody since that was anyway being you know planned to be sent directly to a customer then why bring it to the US and pay this 50%. So, so those developments actually became much faster uh as a result. So, the but this part of the plan of this white label agreement was before the tariffs before the even the initial tariff idea was uh you know it came around even before it had started.

Participant- Nikhil Poptani:

Thank you for giving me the opportunity and conversations in a good set of members of many muted borders. So, as we prior to the disruption of the tariffs, we were guiding towards 12 to 15% of the. Now that somewhat of the tariff disruption is coming down. So, are we looking at FY27 is again at the 15 to 20 12 to 15% growth and as we forward integrating and we going this so we can assume that our volumes will come down a little bit but our price realization will go up. So how much would the contribution from the volume size in growth in a revenue growth and how much will be the realization growth in perspective to revenue?

Rajeev Ranjan:

okay so what I understand because maybe a bit connection problem from their side so regarding the volume and value growth in context of US market if you see since we are converting a strip into components this very hard to say or count compared with the previous numbers because realization will be more due to supply in component form. Yes, the growth in volume side for both the product will be there along with the realization will be more in context of value growth. So hypothetically if we are growing 5% in volume growth then there will be at least 12 to 15% in realization form growth.

Participant- Nikhil Poptani:

Okay, that's that's good for understanding and my first question on guidance like prior to our first tariff disruption we've been guiding towards 12 to 15% of growth. So now going forward let's say in FY 27 by 28 are we reiterating that guidance because now a lot of the ads have come off

Rajeev Ranjan:

Yeah, of course. So before that uh for the whole year our guidance was in between 10 to 12% somehow due to this tariffs and the geopolitical issue uh we are around 9% as of now which is near to 10%. Somehow we are maintaining our commitment to the market and uh here on we are estimating it should be at least better than whatever we have delivered so far in 9 months.

Participant- Het Shah:

A couple of questions from my side. More likely confirmative ones. Firstly, we've given volume group guidance of about 4 to 5% for the year. This 9 months, we are already 3% down. So, I mean would we be able to achieve some bit of it and secondly if you could quantify the share of components versus parts in the revenue mix for this particular quarter vis-a-vis with the previous one and Q3 FY25 and lastly just wanted a confirmation of what you've said in this call and the previous call so uh PCB assembly revenue for FY27 you said close to about 50-55 Cr this particular con You said busbar plus PCB would the total forward integration would be at about 70 to 75 CR for F27 and EBITDA margins for PCB we have said it could go maximum to 70 to 80% on the lower side and bus you've said it would be probably 10% lower than what is the normal margin so that would be at about 12 13%. So is my understanding correct? Yeah I'm done with my question.

Rajeev Ranjan:

Yeah. So as far as the total volume versus value is concerned, if you see in the 9 month the total volume has grown by 3% compared to the previous 9 month and even quarter on quarter you can see uh or product wise you can see the shunt has grown by almost 9.5% whereas bimetal has grown by 5% in volume term. So we have seen committed growth which was estimated initially in the beginning of the year to grow in the range of 10 to 12% and somehow we have achieved in the range of 9%. If you the second question was regarding your component and strip so currently we are supplying uh as a company around 36- 37% in a strip form and rest in the component form overall and third was your question regarding to maintain the EBITDA margin currently we are in the range of 23 to 26% and after forward integrated product since the product will gives a lower EBITDA compared to the current organic product but overall the company's EBITDA will be in the range of 23 to 25% as we will grow in volume terms for the assembly business and in fact if you see the incremental cost will be lower than what we can maintain at least at EBITDA level. So overall the company's EBITDA would be in the range of 23 to 25%.

Participant- Akash Vora:

Actually I was just going through the presentation. I had a look on the our net working capital days which have grown as almost from 250- 260 days. Just wanted to understand uh what measures are we taking on that. front, you know, to bring it to a more controllable kind of a number because uh 250- 260 net working capital days is like too high.

Rajeev Ranjan:

Yeah. So in this quarter you see sometimes when you are ordering then you are getting material in time. So this quarter the consignment should land in January has already land in uh in December due to his there is a certain increase in inventory days and parallelly since we are growing around 9% in in revenue based on which our collection period has increased almost by 10 days. So which is under 90 days but it still has increased compared to the previous 9 months. So as far as the corrective action is concerned for raw material side We are in the process of developing three or four domestic supplier which will uh eventually reduce a certain days not uh the complete may be under 180

days or 200 days. On the other side I'm also taking some precautions for the collections from customer where we are having some tripartite agreement with financial institution to get the upfront payment where we are exceeding above on and above 90 days payment term. So these are the two measures we are considering and based on which at the quarter ended March 26 we'll be able to uh get this working capital in the range of the previous year's numbers.

Participant-Richa Agarwal:

Yeah, thanks for the opportunity. Congratulations for a good set of numbers. Sir, I just wanted to know that you know we are hearing a lot of you know uh like traction in the data center segment which you know in your presentation you mentioned as know the areas for end applications. So if you could talk a bit of you know what kind of opportunities if at all you are seeing emerging and also you know the break up of your revenue and sector wise, like how much is going towards smart meters or EVs if you have that

Sumer Ghumman:

I think see with with data centers you know sometimes it's very difficult for us to analyze what exactly so starting with let's say EVs or Smart meters are very custom-made to the specific application. So it's easy for us to classify that as the end application. When it comes to data centers and the general increase in demand for these products including even thermostatic bimetal because of increase in demand for switch gear, we don't know because there are some general application energy storage devices as well as some general application switch gear which are both being utilized for this. So it's very difficult for us to specify because it's not a unique uh design to its application but yes when it comes to smart meters and when it comes to uh automotive resistors uh that we know so I think that exact breakup if Rajeev if you can just break up the revenue that we have from energy meters as well as from automotive shunts as well as from non-automotive shunts.

Rajeev Ranjan:

So in broader category uh for both the product thermostatic bimetal and shunts So in thermostatic bimetal switch gear industry constitutes around uh 80% of our supplies rest is uh between automotive energy meters and some home appliances. Similarly in registered business around 60% goes to automotive and 35% goes to energy meters. Rest is in between home appliances, gas meters and other

Participant- Prateek Chaudhary:

Sir X of the assembly business what sort of growth can we possibly see in our base manufacturing business in FY27. A rough range would be helpful.

Sumer Ghumman:

Pratik we basically you know we what thermostatic bimetal like I had mentioned earlier it's a little bit difficult for us to say at this time because there were too many things related to the US market. We do expect we have an indication from our customers for India and certain other markets that we do expect to see uh you know like a 8 to 10% kind of a growth in that area but where we are really expecting growth in our baseline business unrelated to the you know any forward integration or new product types we do expect to see a much larger growth in the shunt business because uh like I mentioned you know Vishay being one of them and there are two three other customers including you know Denso from Japan and there are three or four other Japanese customers as well where business is already commercial business has already begun in some cases it's been a few months in some cases it's starting now or maybe next quarter so when we add all of that we expect we hope and we expect that if all of those things work well and those businesses as per the forecast that we have, we should be able to add to a shunt baseline business anywhere between a you know like 13-14 to a 18-19% kind of a uh number. So that expectation is what we are working with and that's the kind of indication we have from these new developments.

Participant-Bhargav Bhuddadev:

Yeah. Hi. so just one follow-up question. So sir when you mentioned that 65% is raw material cost in that automotive busbar, I would presume that that would be coming from your mother factory, right?

Sumer Ghumman:

Some part of it. Yes, because now some part will be other components as well and some portion of it would be our own components that we have manufactured. So but we taking that as a whole value

Participant- Bharghav Bhuddadev:

And lastly any impact of this uh raw material inflation that we are seeing across your key raw materials or we we'll be able to pass it on?

Sumer Ghumman:

Our raw materials- our pricing structure is such that all of the raw material pricing is passed through because you know it can go either ways. Right now it's in an upswing but it can go down downwards as well. the bigger impact that we've had is in our third product vertical which is silver contacts and silver contacts had more exposure in recent months because you know you may be aware that for that particular business we are you know in the process of moving to a new factory that factory is already partially under production but because it was running on full capacity it's a complicated process to move to a new location. So we had you know obviously we had more inventory slightly more inventory lying with us and we had more exposure because of this transit and that's exactly the time when silver actually you know went a little bit too high. So we do have certain uh instances where this can have an impact but under most circumstances it has no impact directly on our margins as well as our surely there'll be some you know increase in top line that will show up as a result of that.

Moderator- Shankhini:

I can see some more participants in the queue. I'd request you to write to us at Dickenson with your questions and we can get them answered to your satisfaction. We'll now have closing remarks from Sumer.

Sumer Ghumman:

So thank you everybody for joining us today. The key takeaway is that we are growing steadily while improving the quality of earnings and we remain focused on strengthening the core and moving up the value chain in a measured way with the Pune initiative being a clear step in that direction. Thank you for being a part of Shivalik's growth journey as we enter this next phase. Wishing you all a pleasant evening ahead.

Moderator- Shankhini:
Thank you for joining us on behalf of Shivalik Bimetal Controls Limited. Cheers and good evening

If you have any further questions, please write to us at the email ID given at the end of the investor deck, shivalik@dickensonworld.com and we will be happy to get your queries answered.

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